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TAGS: [PGOV](#) [PREL](#) [PINR](#) [SA](#)
SUBJECT: KING ABDULLAH LAUNCHES ANTI-CORRUPTION STRATEGY

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Classified By: Deputy Chief of Mission Michael Gfoeller
for reasons 1.4 (b) and (d).

[1](#)1. (S) SUMMARY: The Council of Ministers approved the National Strategy to Protect Honesty and Combat Corruption during its weekly meeting on February 19. The strategy includes procedures for investigating officials suspected of corruption at most levels of the government and establishes the National Authority for Combating Corruption ("Authority") to monitor and evaluate the implementation of this strategy. The strategy is in line with King Abdullah's push to root out corruption as a necessary component of his reform agenda. Some analysts argue that the strategy comes on the heels of the Al-Yamamah military sales investigation, and many hail the step as an effort to rebound from the 2006 stock market crash. An official from the General Secretariat of the Supreme Economic Council doubted the sincerity and potential success of the strategy, citing corruption within the Royal Diwan itself and the inevitable turnover of SAG leadership in the near future. END SUMMARY.

[1](#)2. (U) The Council of Ministers approved the National Strategy to Protect Honesty and Combat Corruption during its weekly meeting on February 19. The strategy's main goals are to root out corruption, promote accountability, create jobs, and increase wages in the process. According to media reports, the strategy established the National Authority for Combating Corruption ("Authority") as the mechanism responsible for overseeing implementation, oversight, and evaluation of the strategy. In the Council of Ministers meeting, King Abdullah urged all government departments to combat corruption by following the rule of law and holding officials at all levels -- including ministers -- accountable for their actions. Media sources reported that economic analysts estimate a total loss of 3 trillion Saudi Riyals (approximately USD 8 billion) due to corrupt practices in Saudi Arabia.

[1](#)3. (U) King Abdullah has worked to eradicate corruption in the SAG since his ascension to the throne in 2005. In early 2006 he opened the Shoura Council's annual session with assurances of the government's resolve to fight corruption. Additionally, King Abdullah rewarded the "whistle-blower" Abeer Ghazi al-Masoudi in 2006 with a job at the Ministry of Health for reporting dishonest practices between a catering company and state hospitals.

[1](#)4. (C) The media reports and editorials were generally in favor of the new strategy, citing hope for an economic recovery following the 2006 stock market crash. Many referred to corruption as a "killing cancer" that destroys the security of society, ruins the spirit of innovation and generates disloyalty among citizens. Some Internet chat rooms expressed hopelessness regarding the proposed reform, stating that corruption is deep-rooted in Saudi society.

Others called for increased democratic reforms in the Shoura Council as a follow-on to this strategy. Several comments also cited the British investigation into the Al-Yamamah military sales deal, in which Crown Prince Sultan was suspected of corrupt practices (Ref A), as an example of the massive scale on which corruption exists and needs to be curbed in Saudi Arabia.

15. (S) General Secretariat of the Supreme Economic Council (SEC) Member Hassan Al-Shuaiby (strictly protect) stated in a February 25 meeting with PolOff that although the SEC was established to create the national economic strategies, it did not play a role in the development of this particular strategy. He said a minister likely developed the strategy on his own and presented it to the Council of Ministers. In his opinion, the strategy is "nice on paper" and a "noble effort" by King Abdullah and his followers to try to stem the tide of corruption that envelopes the SAG operations. He agreed that it was necessary, but said that, in his opinion, it will not work. According to al-Shuaiby, "It will take decades to knock out the corruption from the SAG because the SAG is run by a family and not by elected officials. One may be able to root out the corrupt forces in this King's administration, but as soon as he is gone and new individuals take ministerial positions, there will be new corruption all over again." Al-Shuaiby commented on what he perceived as corruption in the Royal Diwan -- effectively the King's Court-- namely that the SEC, which is part of the Royal Diwan, acts largely as a "rubber stamp" for policies created by other governmental bodies and individuals close to the Royal Family. Acting on instructions from the King or various ministers, the SEC often approves measures without review or input from their experts.

16. (S) Al-Shuaiby also commended King Abdullah's efforts to eliminate corruption, particularly among the Royal Family. However, he talked about the unhappiness of many royals with King Abdullah's policy to reduce royal entitlements as a means of curtailing corruption. He claimed that they expressed their displeasure at this curtailment of entitlements by effecting the stock market crash in 2006. Al-Shuaiby gave several examples that have been repeated by other royals to Emboffs previously, including the termination of some mobile phone services and subjugation to Saudi law of royal family members, a concept nearly unheard of under past monarchs (Ref B). According to al-Shuaiby, these factors will make implementation of the new anti-corruption strategy difficult at the highest levels of government-- where it needs to be if it has any potential to succeed.

17. (S) COMMENT: King Abdullah's push for reform continues, and this new strategy is an example of his willingness to go against the wishes of many members of his own family and government officials in order to make necessary changes. If King Abdullah can continue to negotiate successfully the Kingdom's many competing interests -- in this case a public that wants corruption curbed and royals who want their entitlements to continue -- this new anti-corruption strategy could result in yet another step forward for the Saudis. However, successful implementation of the strategy will clearly be an uphill battle in a culture where the rule of law and transparency are exception rather than the rule, and family ties form one of the strongest societal underpinnings.

END COMMENT.
OBERWETTER